

DIARY NOTES

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DD/S

4 November 1957

1. At the Deputies' Meeting:

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b. The Director called attention to an article which Larry Houston had sent to him on the California Intelligence Agency (CIA). He thought that we should put a stop to this if possible and wanted Larry to do some research on the law to see what could be done.

c. Mr. Dulles also discussed briefly the latest monthly Report of Separations of Grade GS-12's and Above. While I pointed out that our percentage of losses in this category was very low it seemed to be the feeling of at least some of those around the table that we were losing too many good people. Mr. Dulles said that he thought he probably should write letters to some of these individuals when they left. (I will request Gordon Stewart to prepare letters to those whom he thinks it appropriate for the Director to write to. In this connection, I am also going to ask Gordon to prepare a brief report to the Director pointing out how we compare with other Government agencies, industry, and particularly the teaching profession.)

d. I reported on Mr. Harrison's latest proposal for the ground floor windows in the new building, i.e., 3 ft. wide by 2 ft. high on 5 ft. centers,

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25X1A9a which, in effect, gives us twice as many windows as the previously proposed design. This was unanimously approved by everyone at the Meeting, and I have so advised [REDACTED]

25X1A6a 2. Ed Saunders reported that he had discussed with Bob Macy today the question of the release from the Reserve for [REDACTED] Bob advised that he would not have the answer on this until after the "Director's Review" on Friday of this week and thought that it would be Tuesday before we knew anything. I advised [REDACTED] of this. 25X1A9a

25X1A9a 3. I called [REDACTED] attention to the fact that the leave to be taken in connection with the R&R Program might conflict with "home leave" if the employees concerned did not have thirty days accrued at the time they would normally take home leave. I don't know that there is anything that can be done on this, but I asked him to bear it in mind in working out the various programs. H

25X1A9a 4. I asked [REDACTED] to look into Project [REDACTED] He reported later that he had done so and assured me that nothing had been approved at this time except the procurement of certain properties and that any further implications would be coming up in project form. He has been in touch with Matt Baird on this. 25X1A2d1

5. I advised Ed Saunders that General Cabell had approved of the AUTOMAT briefing for Bill Schaub, Bureau of the Budget, and asked him to work out the necessary arrangements.

25X1A9a 6. Called [REDACTED] attention to the fact that the Director's comments on the [REDACTED] report on [REDACTED] had gone directly to Mr. Brundage through normal channels, consequently exposing them to people who do not normally handle CIA matters, and requested that he take steps to prevent a recurrence. 25X1A6a

25X1A9a 7. I reminded [REDACTED] that we had had no follow-up on "Operation Alert" this year in accordance with our discussions prior to the Alert and asked him to speed up presentation of whatever material we were going to come up with in connection with this matter.

25X1A9a 8. [REDACTED] telephoned to say that Mr. [REDACTED] an old friend of the Director's, had telephoned the Director's Office and talked to Miss [REDACTED] alleging that we were ten months overdue in paying a contract which we had had with a company in which he was interested. He said that a settlement agreement had been reached four weeks ago and that he thought he would have had \$75,000 almost immediately but that nothing had happened. I looked into this and Jim Garrison reported that it had been a very sticky contract in which the company had raised its overhead from 93% to 154%. However, he met with a representative of the firm today and arranged to have payment made on Friday, or at the latest on Tuesday. 25X1A5a1 25X1A9a

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25X1A9a 9. Ed Saunders and [REDACTED] were in with a paper concerning our cost-based budg-  
25X1A9a et system in which they want to put two grade GS-15's [REDACTED] and another individual whom  
they expect to recruit from the Atomic Energy Commission) full time on this project. I  
approved, and also approved of the coordinating machinery being handled by the Comptrol-  
ler without regard to the regulatory system.

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25X1A9a 10. I briefed [REDACTED] on the [REDACTED] case, warning him that the Director  
25X1A9a probably would hear from Senator Holland, only to learn that Senator Holland had tele-  
25X1A9a phoned a few minutes earlier. As I understand it, the Director promised the Senator that  
25X1A9a he would look into the case and see Mrs. [REDACTED] personally. I have instructed [REDACTED]  
[REDACTED] in the Office of Personnel to take no action on Jim Garrison's request for her dismis-  
sal until we see what comes out of the Director's dealings with the Senator.

11. Shef Edwards reported that he was getting together with General [REDACTED] today  
to discuss the SDMIC.

25X1C13a 12. Shef also told me that a paper had crossed his desk which had suggested that we  
might be required to [REDACTED] He said  
that he had passed it on to the CI Staff with a statement that we did not have the manpower  
and, furthermore, that he thought it would be entirely contrary to policy since it would in-  
volve our getting into the internal security field.

25X1A9a 13. [REDACTED] reported that there was some indication that [REDACTED] who runs  
25X1A2d1 [REDACTED] was engaging in outside activity which he was not re-  
porting. I authorized him to go ahead and conduct a full investigation through the Office  
25X1A9a of Security and said that if [REDACTED] appeared to be difficult to handle we should get somebody  
to replace him.

14. I approved of Ed Saunders submitting [REDACTED] name for promotion to grade  
GS-16.